



19 August 1955

MEMORANDUM FOR RECORD

SUBJECT: Conversation with Mr. W. Park Armstrong

REFERENCE: DCI Approved memorandum on International Communism  
4 August 1955

1. I stated to Mr. Armstrong that there was a feeling in CIA that the proposed subsidy should be reduced by the amount of compensation scheduled for NIS analysts put in for by OIR but denied them by the State Department or the Bureau of the Budget. I asked Mr. Armstrong how many people if any were involved. Mr. Armstrong assured me that the NIS personnel not only for international communism but also for State's other production responsibilities on the NIS are not now, and never have in the past been, included in the budget of the R Section or the Department of State as a whole. Nor are the personnel involved charged against any departmental ceilings. The Bureau of the Budget fully understands that CIA budgets for these people as a contractual service and does not consider people involved to be chargeable against CIA personnel ceilings either.

2. I, therefore, believe that the comment of the Director is not workable and would not have been made had he been fully apprised of the facts. I also told Mr. Armstrong that the Director did not want to commit himself to this financial support for future fiscal years as he was inclined to keep open the question of whether or not State should budget for its own NIS production. I said I believed this was o.k. for 56-57 but meant that we should get together before State made any plans for Fiscal Year 1958.

  
ROBERT AMORY, JR.  
Deputy Director/Intelligence

~~SECRET~~

d. That the senior research and planning officers proposed in (c) preceding be selected by the top officers of the Agency on the basis of individual merit from any part of the Agency or from outside and that they be assigned administratively to the DDI but that they have free access to senior officers in all parts of the Agency. The assignment of officers to this function will in itself have the effect of encouraging promising individuals with a background in this field to devote themselves over a long period of time to study and speculation on international communism.

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Special Assistant to the Director  
for Planning and Coordination

CONCURRENCES:

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Deputy Director (Plans)

\* Deputy Director (Support)

AUG 6 1955

*W. L. Sullivan*  
Deputy Director of Central Intelligence

APPROVAL

*W. L. Sullivan*  
Director of Central Intelligence

\*Bureau of the Budget approval for the transfer of funds and release from the Reserve, if necessary, will be required. The CI Staff has vacancies now, but additional personnel will have to be authorized eventually.

L. R. Smith  
DIA